

41. Miscellaneous

(1), (2) and (3)

Rao Sahib M. M. Paul (*Director of Food Supplies*): Sir, I rise to move for the following demands for additional grants.—

Rs. 10,044 for dearness allowance;

Rs. 5,000 for travelling allowance; and

Rs. 12,274 for other charges;

all under "41 Miscellaneous-3(a) Food Supplies". The budget provisions under the various heads were found inadequate owing to the recent enhancement of the dearness allowance, increased travelling allowance and some other expenditure to be incurred under other heads. I request the House to sanction these allotments.

Demands put and carried

The House rose for the day at 4-5 p.m.

N. S. RADHAKRISHNA SARMA

Secretary to the Council

APPENDICES

APPENDIX I

MINUTES OF THE STANDING FINANCE COMMITTEE MEETING

Monday, the 8th July 1946
24th Mithunam 1121

The Standing Finance Committee of the Cochin Legislative Council met to-day at 12 noon in the Diwan's Room in the Secretariat to examine the Budget proposals for the year 1122 M.E.

Present:—

SIR GEORGE BOAG, K.C.I.E., C.S.I. (*President*)

RAMA VARMHA TAMPURAN, M.B.E., *Barrister-at-Law, Chief Secretary to Government*

M. R. Ry. B. V. K. MENON *Avl., B.A., B.L., Secretary to Government*
(*Finance, etc. Departments*)

„ Rao Sahib P. V. RAPHAEL *Avl., M.A. (Hons.), Comptroller of*
Finance and Accounts

„ C. N. ITTIRAVI NAMBU DIRI *Avl.*

„ PUTHUR ACHUTHA MENON *Avl., B.A.B.L.*

„ N. S. RADHAKRISHNA SARMA *Avl., M.A., B.L., Secretary*

The Diwan in his opening statement explained that though the Budget shows a surplus of about Rs. 7 lakhs that was really due to the credit of Rs. 25 lakhs taken from the Revenue Reserve Fund. If this Rs. 25 lakhs taken from the Revenue Reserve Fund is left out of account, there will really be a deficit of 18 lakhs in Part I alone. It is proposed he stated to meet that deficit by two contemplated taxation measures, *viz.*, the introduction of a General Sales Tax and the stepping up of the income-tax rates by an amendment to the Income-tax Act. He said that it was important that our income-tax rates should not be far below those of our neighbours, because great disparity in income-tax rates led to difficulties in the matter of getting priorities for machinery, etc., so vital for industrialisation in the post-war period. In order to make it a little easier for industrialists who wish to develop the industries in the State, to get equal treatment from the Central Government with industrialists in British India and elsewhere it was necessary that we should increase our income-tax rates. He added that on the normal expenditure side to which we are committed, we are really down by 18 lakhs and that this was due to the cessation of the additional revenues we are getting during the war such as from the Excess Profits Tax, increased Forest Revenue, etc., and the necessity to continue inevitable items of additional expenditure brought about by the abnormal conditions which have not abated by the